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The NASA Plan

To Award
Eight Percent
Of Prime And
Subcontracts
To Socially
And Economically
Disadvantaged
Businesses

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NASA

National
Aeronautics and
Space
Administration

(NASA-NP-136) THE NASA PLAN: TO
AWARD EIGHT PERCENT OF PRIME AND
SUBCONTRACTS TO SOCIALLY AND
ECONOMICALLY DISADVANTAGED
BUSINESSES (NASA) 13 p

The NASA Plan

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1990

NP 136



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Foreword by the NASA Administrator

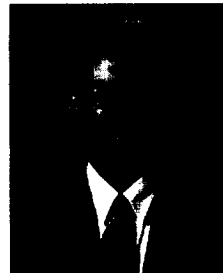
"NASA's role in maintaining U.S. leadership in world aerospace activities has gained new significance as we approach the 21st century. Many of tomorrow's leaders will emerge from today's minority and female population. To ensure that NASA has access to this future talent pool, we must strengthen our relationships with small disadvantaged (including women-owned) businesses, Historically Black Colleges and Universities, and minority educational institutions.

In keeping with the mandate of Public Law 101-144, we will use all necessary resources to attain the goal of awarding eight (8) percent of the total value of our prime and subcontract awards to small disadvantaged (including women-owned) businesses, Historically Black Colleges and Universities, and minority educational institutions.

NASA is proud of the progress that has been made in providing contracting and subcontracting opportunities for small disadvantaged businesses. Our new challenge is to build upon these accomplishments and to work towards the achievement of this prescribed goal. I strongly support this effort, and I am confident that we will be successful."



Daniel S. Goldin



ORIGINAL PAGE
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I. Mission Statement

It is NASA's intent to provide small disadvantaged businesses, including women-owned, Historically Black Colleges and Universities and minority educational institutions the maximum practicable opportunity to receive a fair proportion of NASA prime and subcontract awards

II. History

On November 9, 1989, President Bush signed the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act for FY 1990 (P.L. 101-144). The legislation stated that:

"The NASA Administrator shall annually establish a goal of at least 8 per centum of the total value of prime and subcontracts awarded in support of authorized programs, including the space station by the time operational status is obtained, which funds will be made available to small business concerns or other organizations owned or controlled by socially and economically disadvantaged individuals (within the meaning of section 8(a) (5) and (6) of the Small Business Act (15 U.S.C. 637(a) (5) (6)), including Historically Black Colleges and Universities and minority educational

institutions (as defined by the Secretary of Education pursuant to the General Education Provisions Act (20 U.S.C. 1221 et seq.))."

The legislation continued:

"To facilitate progress in reaching this goal, the NASA Administrator shall submit within one year from enactment of this Act a plan describing the process to be followed to achieve the prescribed level of participation in the shortest practicable time."

As part of the FY 1991 VA-HUD-Independent Agencies Appropriations bill (P.L. 101-507), in order to clarify their intent with respect to women-owned businesses, and for other reasons, the Committees included a modified provision as follows:

"The NASA Administrator shall, to the fullest extent possible, ensure that at least 8 per centum of Federal funding for prime and subcontracts awarded in support of authorized programs, including the space station by the time operational status is obtained, be made available to business concerns or other organizations owned or controlled by socially and economically disadvantaged individuals (within the meaning of section 8(a) (5) and (6) of the Small Business Act (15 U.S.C. 637(a) (5) and (6)), including Historically Black Colleges and Universities. For purposes of this

section, economically and socially disadvantaged individuals shall be deemed to include women."

III. Responsibility

NASA believes that with the support and cooperation of the entire NASA Team, the integration of socioeconomic objectives within our program requirements has already made considerable progress and can lead to the continued success of each. At the direction of the NASA Administrator, the NASA Associate and Assistant Administrators, Center Directors, managing scientists and engineers, and their support staff are responsible for implementation of these goals.

General oversight of NASA's Small Disadvantaged Business Program rests with the NASA Deputy Administrator. The NASA Office of Small and Disadvantaged Business Utilization has been assigned the responsibility for development and management of NASA programs to assist small businesses, as well as firms which are owned and controlled by socially and economically disadvantaged individuals including women-owned businesses. This office functionally oversees and directs the activities of corresponding offices at each NASA installation.

The NASA Office of Small and Disadvantaged Business Utilization works

collaboratively with the Office of Equal Opportunity Programs to ensure the participation of Historically Black Colleges and Universities and minority educational institutions. This process includes collaboration between the respective functional entities of equal opportunity, minority universities, and small disadvantaged businesses at each NASA installation.

IV. Outreach

In an effort to achieve the 8 percent goal, NASA plans to maximize its outreach to the minority business community by implementing new initiatives as well as by vigorously continuing to support ongoing efforts.

Plans will be developed to work with minority advocacy associations and organizations to promote more extensive contracting with small disadvantaged businesses, including women-owned, Historically Black Colleges and Universities and minority educational institutions. NASA will inform the representatives of these organizations regarding this goal, the mutual efforts required to achieve it, and encourage their participation.

The NASA Office of Small and Disadvantaged Business Utilization will prepare and host industry briefings for executive officers of small disadvantaged businesses, including women-

owned, Historically Black Colleges and Universities and minority educational institutions. These meetings will provide senior NASA managers with opportunities to brief the participating executives on major NASA programs, as reflected in NASA's budget, and to invite their participation in the Agency's efforts.

NASA Headquarters will prepare and host briefings with the executive officers of NASA's major large business contractors to educate and to encourage major business contractors to subcontract with small disadvantaged businesses, including women-owned, Historically Black Colleges and Universities and minority educational institutions.

NASA will encourage prime contractors to establish "mentor" relationships with small disadvantaged businesses, including women-owned, Historically Black Colleges and Universities and minority educational institutions. NASA will develop and distribute a documentary film describing the NASA small disadvantaged business program.

NASA will publicize more widely to small disadvantaged businesses, including women-owned, Historically Black Colleges and Universities and minority educational institutions, the recently-installed NASA toll-free number (1-800-2NASA95) for firms to obtain advice and counseling from the NASA Office of Small and Disadvantaged Business Utilization. NASA will utilize public broadcasting and electronic

communication services for disseminating procurement information.

In addition to participating in congressionally-sponsored procurement conferences, the NASA center(s) will sponsor center-specific small disadvantaged business and minority educational institution conferences.

During FY 1991 the following outreach milestones are established:

- Sponsor a major conference during the second quarter. Purpose of the conference is to improve knowledge and skills of small disadvantaged businesses to enable them to participate more fully in the federal government and prime contractor marketplace.
- Coordinate with selected prime aerospace contractors to establish "mentor" relationships with small disadvantaged businesses, including women-owned, Historically Black Colleges and Universities and minority educational institutions during the third quarter.
- Conduct workshops with groups of minority vendor associations.
- Sponsor a Women-Owned Business Conference during third quarter in the Washington area.
- Conduct a socioeconomic training course for NASA top and middle management personnel during the third and fourth quarters.

V. Policy

In order to successfully implement this plan, the following key policies will be adhered to:

a. Contract Consolidation. Requirements may be consolidated for the purposes of increasing program efficiency, economy or accountability. However, a wide base of potential suppliers for NASA's requirements is essential. With these considerations in mind, prior to effecting a contract consolidation valued at \$5 million or more, including options, which will not be exclusively reserved for small or 8(a) firms, an impact assessment on the effects of consolidation on their present and future NASA small disadvantaged business shall be prepared by the center and approved by the cognizant Associate or Assistant Administrator.

b. Use of 8(a) contractors. Requirements-generating and procurement personnel shall work closely with NASA Small Business Specialists and the U.S. Small Business Administration to identify requirements appropriate for performance by 8(a) firms and other small disadvantaged firms capable of successfully performing them. Initial consideration shall be given to 8(a) firms for requirements which are follow-ons to existing 8(a) contracts.

c. Use of Historically Black Colleges and Universities and minority educational institutions. Program

Offices, project offices, University Affairs Offices, and other relevant offices shall work closely with the Assistant Administrator for Equal Opportunity Programs and the Director of Minority University Research and Education Programs, and NASA installation counterparts to ensure awareness of and substantial participation of minority educational institutions in NASA's research and educational contracts and grants.

VI. Acquisition Strategies

In setting acquisition strategy, it is important to recognize the tools available to contract managers at both the prime and subcontract level. Currently, use of the Section 8(a) program is NASA's only method of sole source awards to developing small disadvantaged businesses. Conversely, a small disadvantaged business set-aside program, separate and distinct from the Section 8(a) program, will enhance NASA's ability to increase small disadvantaged business awards by expanding set-aside opportunities to all small disadvantaged businesses, notwithstanding those who are 8(a) certified. NASA will develop special initiatives to strengthen the small disadvantaged business program both in the direct awards area, which includes Section 8(a) contracting, and in the subcontracting areas under relevant NASA prime contracts. NASA Centers differ significantly in their missions, and their contracting varies accordingly.

Therefore, small disadvantaged business program strengthening may appropriately require different approaches by the centers. The following list shows some of the program improvement techniques which may be used, following approval of the plan.

- Use of senior management oversight committees at the centers for development and implementation of the small disadvantaged business program (Small and Small Disadvantaged Business Program Councils).

- Reinforcement of the Agency's outreach effort by issuance of small disadvantaged business program endorsements by field center management. Both internal and external audiences will be made aware of the higher goal established for NASA and of the importance of striving for its attainment.

- NASA policy statement in Request For Proposals and Sealed Bids stating NASA's intent to achieve a minimum of 8 percent of dollars to small disadvantaged businesses, including women-owned, Historically Black Colleges and Universities and minority educational institutions .

- Inclusion of a contract clause encouraging prime contractors to use small disadvantaged business set-asides and to include small disadvantaged businesses, including women-owned, Historically Black Colleges and Universities and minority educational institutions in teaming arrangements.

- Inclusion of small disadvantaged businesses, including women-owned, Historically Black Colleges and Universities and minority educational institutions subcontracting plans in selection criteria for relevant Source Evaluation Board procurements.

- Assurance that Contracting Officers negotiate challenging goals and document the reasonableness thereof.

- Inclusion of past small disadvantaged business subcontracting accomplishments in the award fee determination process with consideration to additional emphasis given to small disadvantaged businesses, including women-owned, Historically Black Colleges and Universities and minority educational institutions subcontracting.

- Assurance that contractor Make-or-Buy Plans are reviewed for small disadvantaged business subcontracting.

- Collection of small and small disadvantaged business subcontracting data at the NASA center level.

- Accomplishment of effective contract and subcontract administration to assure:

- Timely revision of subcontracting plans where changes or new work affect subcontracting opportunities;
- Flow down of appropriate small disadvantaged business, including women-owned, Historically Black College and University,

and minority educational institution program responsibilities to subcontractors and assure compliance.

Appropriate management performance plans and performance appraisals will include plans and goals accomplishments.

VII. Goals

Annually, NASA will establish socioeconomic procurement goals including small disadvantaged business goals, with a target of reaching the eight percent level by the end of FY 1994. The NASA Associate Administrators, who are responsible for the programs at the various NASA Centers, will be held accountable for full implementation of the socioeconomic procurement plans.

The chart below depicts NASA's history, from FY 1970 through FY 1990, of contract performance with small disadvantaged businesses since inception of the program in the Agency. The NASA Deputy Administrator has established FY 1994 as the target year for NASA to reach the legislatively mandated 8 percent goal. The chart also shows the projected milestones percent goal as follows:

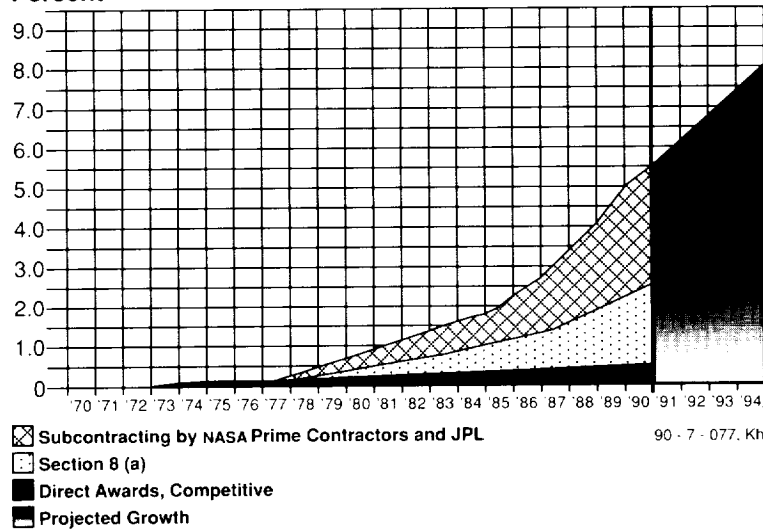
FY 1991	6.1%
FY 1992	6.7%
FY 1993	7.5%
FY 1994	8.0%

Disadvantaged Awards (Obligations)

Office of Small and Disadvantaged Business Utilization

FY 1970 - 1994 — Percent of Awards

Percent



Progress toward achievement of these goals will be measured at the midpoint and end of each year and will be evaluated by the Administrator and Deputy Administrator.

VIII. Training

Training shall be provided to encompass three areas: NASA personnel, Historically Black Colleges and Universities and minority educational institutions and prime contractors. The NASA Office of Small and Disadvantaged Business Utilization shall develop an appropriate training package.

Installation personnel will be trained relative to the contents of this plan. Detailed training shall be provided to procurement personnel, requirements generating technical personnel, and to Equal Opportunity and Minority University Officers as well.

Each installation shall conduct a briefing/training session for on or near-site contractors. Headquarters shall also provide a copy of the training plan to all NASA prime contractors.

NASA shall provide briefing/training sessions as a part of NASA sponsored High Tech Conferences and other conferences as appropriate. The Agency managers of the Historically Black Colleges and Universities and minority university programs will provide

information and/or a briefing to Historically Black Colleges and Universities and minority educational institutions, and work collaboratively with the Director, Office of Small and Disadvantaged Business Utilization to ensure maximum participation of those institutions.

IX. Reporting

Data pertaining to agency performance against the goals established under this program will be collected, evaluated, and reported by the Office of Small and Disadvantaged Business Utilization to the NASA Administrator, to NASA Program Offices, to NASA Centers and Congress, as appropriate.

Data on prime contracts, including Small Business Innovation Research awards, women business awards, minority university awards, and subcontract awards will be reported under this program.

X. Resources

The Director, Office of Small and Disadvantaged Business Utilization is responsible for the day to day management and development of NASA's programs to assist small disadvantaged businesses.

As defined in Public Law 95-507, a Small Business Specialist at each installation functionally supports and reports to the Director, Office of Small and Disadvantaged Business Utilization on matters related to small business, small disadvantaged business, women-owned business, and labor surplus. In addition, supporting procurement analysts, secretaries, and clerical staff at each installation are available to lend assistance to programmatic small disadvantaged business activities.

XI. Definitions

1. Small Business

a concern organized for profit, independently owned and operated and not dominant in its field of operation.

2. Small Disadvantaged Business

a small business concern owned and controlled by socially and economically disadvantaged individuals -

(i) which is at least 51 per centum owned by one or more socially and economically disadvantaged individuals; or in the case of any publicly owned business, at least 51 per centum of the stock of which is owned by one or more socially and economically disadvantaged individuals; and

(ii) whose management and daily business operations are controlled by one or more of such individuals.

3. Socially Disadvantaged

Business owners who are members of a group subjected to historical bias: Black Americans; Hispanic Americans; Native Americans; Asian-Indian Americans; Asian-Pacific Americans; and other special cases as defined in PL95 - 507.

4. Economically Disadvantaged

Business owners who are socially disadvantaged with diminished capital and credit opportunities.

5. Historically Black Colleges and Universities and Minority Educational Institutions

Colleges and universities which are officially recognized as such by law, Presidential Executive Orders, or Federal regulation, and/or which serve or have substantial student populations from the socially and economically disadvantaged groups (i.e., Black, Hispanic, Native, and Asian Pacific Island Americans).

6. Women-Owned Businesses

For the purposes of implementing Public Law 101-144, women-owned businesses are deemed socially and economically disadvantaged.

7. **Consolidated Contract**

A consolidated contract is one in which requirements previously procured under separate contracts or performed in-house are combined into larger dollar value contracts to be performed by a single contractor. Frequently, these consolidated contracts are for a longer term than the contracts which are being "consolidated".

8. **Socioeconomic Procurement Goals**

Section 221 of Public Law 95-507 requires the head of each Federal agency, after consultation with the Small Business Administration, to establish realistic goals for the award of contracts to small business concerns and to small business concerns owned and controlled by socially and economically disadvantaged individuals.